

TENNESSEE STATE BOARD OF EDUCATION		
AUDITS		2703
ADOPTED: July 28, 2017	REVISED:	MONITORING: Review: Annually

The governing board of each authorized charter school shall cause an annual audit to be made of the accounts and records, including internal school activity and cafeteria funds, of their school. The audits may be prepared by certified public accountants. The audit shall be completed as soon as practical after June 30 of each year, and a copy of the audit shall be furnished to the State Board, the Commissioner of Education, and the comptroller of the treasury.^{1,2}

The school leader or designated financial officer shall furnish or make copies of the audit available to the proper authorities as prescribed by law.³ The comptroller of the treasury is authorized to audit any books and records, including internal school activity and cafeteria funds, of any charter school when the audit is deemed necessary or appropriate by the comptroller of the treasury. The comptroller of the treasury shall have the full cooperation of officials of the school in the performance of the audit or audits. In the event the governing board fails or refuses to have the audit prepared, then the comptroller of the treasury may appoint a certified public accountant to prepare the audit. The cost of the audit shall be paid by the governing board.¹

When an administrative change occurs during the fiscal year and the position is responsible for the expenditure of funds, a special audit of accounts involved may be conducted. The special audit shall be as extensive as the State Board determines.

A charter management organization (CMO) may comply with T.C.A. § 49-13-127 by submitting one (1) audit for all the charter schools operated in Tennessee by the CMO, provided that such audit includes all information required for each school.⁴

When an audit of the State Board’s financial accounts results in any findings, a corrective action plan shall be developed to address the findings. The plan shall be submitted to the comptroller of the treasury and include the following:⁵

- (1) Name(s) of the individual responsible for implementing the plan;
- (2) The corrective action taken or planned; and
- (3) Anticipated completion date.

Legal References:

¹ T.C.A. § 49-2-112

² T.C.A. § 49-2-110(a); T.C.A § 49-13- 111(j);
TRR/MS 0520-01-02-.13(4)

³ TRR/MS 0520-01-02-.13(3)(d)

⁴ T.C.A. § 49-13-127

⁵ Public Acts of 2017, Chapter No. 383